

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1445

ANSWERED ON:27.11.2007

ECONOMIC SECURITY TO THE WORKERS OF MITCO

Mahto Shri Tek Lal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether due to closing down of the MITCO lakhs of workers have been rendered jobless and foreign exchange earning has also declined;
- (b) if so, whether the Government proposes to review the decision to increase the production of MICA;
- (c) if so, the details thereof;
- (d) if not, the steps proposed to be taken to provide economic security to unemployed workers;
- (e) whether the Government proposes to run any community scheme again with the amount deposited in the Head for regional development; and
- (f) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) No, Sir.

(b)&(c) Does not arise.

(d) Following decanalisation of processed mica trade in October, 1990, the annual turnover of MITCO, a 100% subsidiary of MMTC Ltd., declined during the years 1992-93 & 1993-94. In terms of the provisions of Sick Industrial Companies Act (SICA) 1985, the company was referred to Board of Industrial Finance Reconstruction (BIFR). The BIFR concluded that it was not possible to rehabilitate MITCO on its own. Accordingly, MITCO was merged with MMTC Ltd. w.e.f. 1.4.1994 to operate as an independent profit center as Mica Division. However, Mica Division has not been able to sustain itself and has been making losses. Owing to continuous losses, plant operations have been shut down and MMTC continues to pay idle wages to the existing 329 employees of Mica Division.

(e) No, Sir.

(f) Does not arise.